

ORIGINAL



0000093113

MEMORANDUM

TO: Docket Control

FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGT

DATE: January 27, 2009

RE: IN THE MATTER OF THE APPLICATION OF GTC TELECOM FOR CANCELLATION OF THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY ("CC&N") TO PROVIDE COMPETITIVE RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AND RETAIN ITS CC&N TO PROVIDE RESOLD LONG DISTANCE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-03717A-06-0073)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Competitive Resold Local Exchange Service

Staff recommends cancellation of the CC&N.

EGJ:LM:kdh

Originator: Lori Morrison

Attachment: Original and Thirteen Copies

Arizona Corporation Commission
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JAN 27 2009

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SERVICE LIST FOR: GTC Telecom
DOCKET NO.: T-03717A-06-0073

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

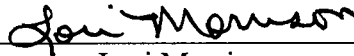
GTC TELECOM
DOCKET NO. T-03717A-06-0073

IN THE MATTER OF THE APPLICATION OF GTC TELECOM
FOR CANCELLATION OF THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY
TO PROVIDE COMPETITIVE RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICES AND RETAIN ITS CC&N TO PROVIDE LONG DISTANCE
TELECOMMUNICATIONS SERVICES

January 27, 2009

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of GTC Telecom Docket No. T-03717A-06-0073, for approval to cancel its Certificate of Convenience and Necessity (CC&N) to provide Competitive Resold Local Exchange Telecommunications Services and retain its CC&N to Provide Resold Long Distance Telecommunications Services was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in cursive script, reading "Lori Morrison", is positioned above a horizontal line.

Lori Morrison
Public Utility Analyst I

TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	1
Background	1
Staff's Analysis	1
Recommendation.....	2

Introduction

On February 7, 2006, GTC Telecom Corporation ("GTC" or "the Company") submitted an Application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange telecommunications services and retain its CC&N to provide resold long distance telecommunications services within the State of Arizona.

Background

On November 20, 2002, in Decision No. 65412, the Commission granted GTC a CC&N to provide resold local exchange telecommunications services within the State of Arizona. The Company will retain its CC&N to provide resold long distance telecommunications services that was granted April 3, 2000 in Decision No. 65411.

In January 2006, The Compliance section of the Utilities Division, contacted GTC that the Company was in violation of Commission Decision No. 65412, specifically the ordering paragraph that required GTC to procure a bond and file appropriate tariff. GTC was advised that since it had not filed the required bond or tariff as required by Decision No. 65412 they were out of compliance with the requirements of that Decision. GTC informed the Compliance Division that it had not done so because it had never provided competitive resold local exchange service and had decided not to do so. In addition, GTC stated that based on the language on the decision, that they believed their certificate was null and void. GTC was advised to file a formal request to cancel its CC&N for resold competitive local exchange telecommunications service.

Staff's Analysis

In its Application, GTC stated that it has no customers or operations in Arizona. On January 7, 2008, in response to Staff's First Set of Data Requests, GTC stated that since it had never provided service or had customers in Arizona that there are no customers to notify or provide access to another provider, as required by Arizona Administrative Code Rule R14-2-1107. GTC has also indicated that it has never collected advances, deposits, and/or prepayments from customers in Arizona.

The Consumer Services Section of the Utilities Division reports that there have been zero (0) complaints, inquiries, or opinions against GTC from January 1, 2005 to November 24, 2008. In addition, Consumer Services states that GTC is in good standing with the Corporations Division of the Commission. GTC's 2007 annual report is currently on file with the Commission. The Compliance Division reports that the performance bond that GTC was required to procure and the tariff it was supposed to file pursuant to Decision No. 65412 has never been received by the Commission.

Recommendation

GTC has never provided resold local service to any telecommunications customers in Arizona and has never complied with the requirements of Decision No. 65412. Therefore, Staff recommends that GTC's CC&N to provide resold local exchange telecommunications services be cancelled.